

EXHIBIT 1

From: Riley Steve <SteveR@hiltonheadislandsc.gov>
Sent: Monday, March 7, 2016 3:40 PM
To: Wes Jones <WJones@jsplaw.net>
Cc: Orlando, Marc <morlando@townofbluffton.com>; Martin Kent <mkent@unitedco.net>
Subject: Re: Hilton Head National

I will be out of town on the 31st

Steve Riley
Town Manager
Town of Hilton Head Island

Sent from my iPhone

On Mar 7, 2016, at 3:25 PM, Wes Jones <WJones@jsplaw.net<<mailto:WJones@jsplaw.net>>> wrote:

Dear Marc,

It appears that Martin Kent of the United Company can be here on the 31st if that works for you, and if it does if you will let me know I will then follow up with Steve Riley to see what his availability is.

I look forward to hearing from you as soon as possible.

Thank you!

-Wes

Please note new direct dial: 706-8863
Alternate: (843) 706-6111 x 123
William W. Jones, Jr.
7 Plantation Park Drive, Suite 3
Post Office Box 1938
Bluffton, South Carolina 29910
843-706-6111
843-706-5667 (fax)

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From: Orlando, Marc [<mailto:morlando@townofbluffton.com>]
Sent: Monday, March 7, 2016 2:19 PM
To: Wes Jones; stever@hiltonheadislandsc.gov<<mailto:stever@hiltonheadislandsc.gov>>
Subject: Re: Hilton Head National
Importance: High

Wes,

The 24th at 3pm works best for me. Thanks for the invite.

Marc Orlando
Town Manager, ICMA-CM
843-706-4511

Town of Bluffton
20 Bridge Street
PO Box 386
Bluffton, SC 29910
www.townofbluffton.sc.gov<http://cp.mcafee.com/d/5fHCMUg43qb3UVBVdBZ4TsSOYeud78UtsSOYeud79EVjd79JBUsYqehMVcSOYYed7bObNKA_c454V7PH0D-EiEvl4amUzkOr9OfDm1fZgBg_o8kJN6FASXpDQ477-LP2r0Vx5XHTbECzAQsLsed7dShRPhPR4kRHFGT7esG7DR8OJMddECQjt-ivshoKqenHFCXCM0kWC8lt87JKKPH3GmUzkPxIM8RxZ0k00fQNMddzAmrTdwIqid40nAveI3h05_R0Qg0PpOH3jPqr1I2W8OW5ggReK>

<image001.png>

From: Wes Jones <wjones@jsplaw.net<<mailto:wjones@jsplaw.net>>>
Date: Monday, March 7, 2016 at 11:40 AM
To: Riley Steve <SteveR@hiltonheadislandsc.gov<<mailto:SteveR@hiltonheadislandsc.gov>>>, Marc Orlando <morlando@townofbluffton.com<<mailto:morlando@townofbluffton.com>>>
Subject: Hilton Head National

Dear Steve and Marc,

As you know, we have been attempting to set up a meeting between representatives of the Owners of Hilton Head National Golf Course, representatives of the Town of Bluffton, Hilton Head and the County, to discuss the possibility of an inter-governmental agreement to provide for venues for a performing arts center, an arena-type facility that the County has an interest in, and an opportunity for the Town of Bluffton to use some of the property for their needs.

I have been in touch with Gary Kubic and the dates that seem to work for him the best are March 24th at 3:00 p.m. or March 31st at 2:30 p.m.

If any of these dates are satisfactory to any of you, if you would let me know I would appreciate it and I'll set up a meeting in our office, assuming that is convenient with everyone. I think we have an opportunity to provide land to meet the needs of the various communities in a way that can benefit everyone that is in the process of proposing new facilities in anticipation of the growth that you are all experiencing.

If you would get back in touch with me at your earliest convenience, I would certainly appreciate it and we will look forward to seeing if we can find a time that we can all get together and spend a period of time analyzing the benefits or opportunities that might be available through some type of inter-governmental agreement, etc.

Thank you!

-Wes

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REAL ESTATE NEWS

Hilton Head National developers: Why golf lost its swing there and what the future holds

BY LUCAS HIGH
lhhigh@islandpacket.com

MAY 12, 2017 6:00 AM

In contrast to recent public outcry over redevelopment plans for the Hilton Head National Golf Club, the 300-acre course's beginnings were far more subdued.

The golf club, bordered by Bluffton Parkway and Malphrus Road in greater Bluffton, started as a straightforward business deal between Bill Palmer, president of Scratch Golf LLC, the course's ownership and management group; and James McGlothlin, the 76-year-old semi-retired founder of the Virginia-based United Company, Scratch Golf's parent firm.

The story behing the push to redevelop Hilton Head National Golf Club | Island Packet Page 2 of 11

Late one evening in 1988, Palmer and McGlothlin — whom Palmer describes as a “golf buddy” he’s known since the 1970s — were relaxing in Nevada at the old Desert Inn, now the site of the Wynn Las Vegas hotel and casino.

“We just started talking about golf and decided we would go back to Hilton Head,” and partner on the purchase of land for a course on the mainland just west of the island bridges, Palmer said.

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The plan “survived into the next day, so I figured it must be a decent idea,” he joked.

Scratch Golf was soon formed with Palmer at the head and McGlothlin’s outfit supplying the capital investment. Just a couple of years later, golfers were teeing up drives at the spanking new Hilton Head National Golf Club.

For years, things went swimmingly for Scratch Golf.

“We meant to only own Hilton Head National, but we ended up owning nine golf courses across the Southeast,” Palmer said.

But the golf course business started changing about 15 years ago, he said.

“There are the same amount of golfers as there were in ’80s and ’90s, but there has been an overbuilding of golf courses” in the past couple of decades, creating steep competition and driving down the price of greens fees, he said.

The company is down to three courses, having sold off the others in recent years.

At Hilton Head National, there are 18 holes where there were once 27. Soon, there will likely be none.

Martin Kent, president of the United Company, said the reduction in holes, which came as a result of the Bluffton Parkway extension in 2011, forced the owners to consider redeveloping the course.

Palmer agreed, saying losing nine holes “made a huge difference” for the business.

“It’s hurtful to see that (the property is) not going to continue as Hilton Head National,” Palmer said. “But it can’t remain a golf course, because we just can’t sustain it — (the) golf (course industry) has gone a little bit south because of the overbuilding of courses.”

“I’m going to be sad to see it go,” he said of the greater Bluffton course originally designed by the firm of golf legend Gary Player.



The Hilton Head National Golf Club property, outlined in red, is a roughly 300-acre tract in greater Bluffton just south of U.S. 278.

High, Lucas - Beaufort County Planning Department

No ‘flip-of-the-switch decision’

In its place, plans called for the construction of 300 apartments, 300 homes, 500 hotel rooms, 400,000 square feet of retail space, 125,000 square feet of office space, a 400-bed assisted living facility, a 1,500-seat performing arts center, a convention center and a water park.

An even larger development — seeking maximum the allowable uses under the Beaufort County Community Development Code — was previously proposed.

A Beaufort County Council subcommittee tasked with negotiating a development agreement with property owners offered a proposal in March that would allow construction on fewer than half of the 300 acres.

The owners balked. Negotiations broke down, and the subcommittee voted recently to disband.

Kent said the Hilton Head National project represents a major test of the county's development code, overhauled in 2014 and used by planners, developers and elected officials as a guide for growth in the county.

"We are the first development of this size to go through (the county's approval process) under the new development code," he said. "We knew when we walked into this that it wouldn't be an overnight, flip-of-the-switch decision."

County planning staff and elected officials "held our feet to the fire," Kent said.

Another wrinkle in the project plans: The prospect of a new arts venue on or around Hilton Head Island has been a hot topic of late. Kent said he and his team recognized that, and county zoning allowed them to incorporate that idea in their now-rejected proposal.

"I know there is debate as to whether it should be on Hilton Head Island or should it be out" on the mainland in the greater Bluffton area, he said.

"But wouldn't it be great if there was a place relatively close to Hilton Head Island where you have a willing developer with the ability to (build) it?" Kent asked rhetorically.

It's unclear, however, whether such a venue will be part of any future proposals the course owners may bring before county officials.

Outsiders and insiders

While Palmer, a long-time Beaufort County resident, represents something of a known commodity among segments of the local population, Kent acknowledges he is a relative newcomer.

"The citizens here might not know me well right now, but I hope I get the opportunity to get to know them," Kent said.

An attorney by trade, the 46-year-old Virginian joined the United Company three years ago following stints working in private practice and for the Virginia state government in Richmond. His career in government peaked when he was tapped to serve as chief of staff for former Virginia Gov. Bob McDonnell.

"Real estate development wasn't my first (career), but I've immersed myself specifically in South Carolina law and the development process," said Kent, who lives and works near Bristol, Va., where the United Company is headquartered.

One of the concerns locals have expressed about the Hilton Head National project is the perception of an air of mystery surrounding the United Company's operations.

"There is no simple explanation" as to what specifically the company does, Kent said, noting, "The way we describe ourselves is we are a 'diversified private-investment company.'"

The United Company, which McGlothlin founded in 1970 under the United Coal Company moniker, "started out as a coal company, and that was a large part of our business," Kent said.

"But the company also dealt in oil and gas," he continued. "We also were involved in pharmaceuticals. There have been a lot of different industries we've been involved with over the years."

In recent years, the company's focus has shifted toward real estate investing and serving as "something of an incubator to help grow businesses," Kent said.

While McGlothlin maintains a financial and personal interest in the course — Hilton Head National was the first golf course he was involved in developing — the daily operations and decision-making related to the proposed redevelopment fall to Kent and Palmer.

“At the end of the day, this whole project is a collaborative effort between (Palmer) and the United Company,” Kent said.

Opponents of the project — more than 2,700 of whom have signed an online petition called “Stop The Hilton Head National Project!” — have expressed concerns that, if the property is rezoned, the developers will decide to divvy up the land and sell it piecemeal to the highest bidder.



In this file photo from March 7, 2017, local residents attend a town hall meeting hosted by Beaufort County councilmen Mike Covert and Tabor Vaux where many voiced their concerns about the redevelopment of Hilton Head National Golf Club.

File - Staff photo

But Kent and Palmer stressed that this is not their plan.

“There is no plan to change ownership,” Kent said. “The same people that Hilton Head National has put forth for the last 30 years will be the same people we will put forth going forward.”

Said Palmer: “My family has been here since 1975. We don’t want to go anywhere else.”

Lucas High: 843-706-8128, @IPBG_Lucas



This file photo shows the portion of Hilton Head National Golf Club between U.S. 278 and Bluffton Parkway. **Jay Karr** - jkarr@islandpacket.com

< 1 of 2 >

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Kevin Hennelly · Bluffton, South Carolina

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Like · Reply · May 14, 2017 2:05pm



Kevin Hennelly · Bluffton, South Carolina

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Roger Elmore · Univ of Ga, Auburn U

All the hand wringing by the owners of HHI is imprssive, but I have yet to see any hard numbers that support their oft repeated contention that the golf course is not sustainable as a money making proposition for them. They SAY it's losing money. Can we see the

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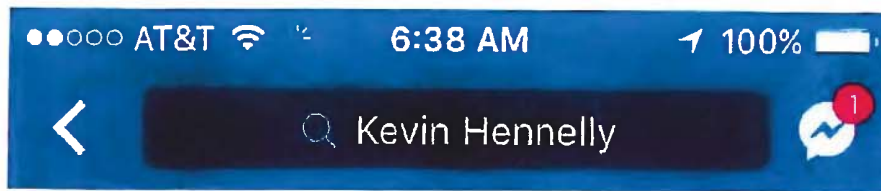
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Kevin Hennelly

May 23 at 6:22 AM · 2

A few final observations. This was never about a project; there is no project. This is about a request for zoning change for the sole purpose to quadruple the value of the land. The crooked owners wanted a government handout and not give anything in return. This is Crony Capitalism. I hope it is clear to these crooks from Virginia this will not fly in Beaufort County.

It is sad that Brian Flewelling believes public input is external drama and distracts from the process. Brian you are wrong.

Chairman Paul Summerville did an excellent job from the beginning providing a fully transparent process and bent over backwards to hear all public comment, thanks Paul. We saw how a board should function and should demand the same from Beaufort County School Board.

Tabor Vaux did an excellent job and proved himself a leader in our community. He tried to get a development agreement but wisely





Tabor Vaux did an excellent job and proved himself a leader in our community. He tried to get a development agreement but wisely stopped the process when he realized they were negotiating with themselves. Great Job Tabor.

The Island Packet gets an "incomplete" grade on their coverage of the issue. For some reason the refused to print the documented corruption of the owners of United Company. Martin Kent and James McGlothlin were up to their eyeballs in the recent scandals in Virginia with the Governor and his wife. McGlothlin gave the Governors wife a no show job at the heart of the ethical and criminal activity.

Beaufort County and Bluffton residents; you rock. What an outpouring of opposition. Over 3700 people signed petition. Proud to live in a community with informed involved residents. Last, hats off to Collins Doughtie, you gave so much to our community. You organized the opposition to Zoning Change and represented professionally. Thanks Collins for your time and efforts.

